



TO: Honorable Mayor and Council Members
DATE: May 21, 2013
THROUGH: John W. Donlevy, Jr., City Manager
FROM: Dan Maguire, Economic Development and Housing Manager
SUBJECT: Award of Construction Agreement for Walnut Park – Phase 1, Project No. 11-03.

RECOMMENDATION: Staff recommends that City Council:

1. Authorize the City Manager to award and execute a construction contract with the lowest responsive and responsible bidder, and authorize expenditures up to \$375,540, to cover the award and contingency for Walnut Park – Phase 1, Project No. 11-03; or
2. Reject all bids and authorize staff to re-advertise with a reduced scope of improvements.

BACKGROUND: Walnut Park (formerly Orchard Village Park) Phase 1 was advertised for bids. The Base Bid consists of the demolition and removal of an existing concrete curb and wood barrier, erosion control and grading, drainage system, site lighting, signage, concrete walks and picnic areas, decomposed granite paths, fences and gates, site furniture, bike racks, handicap parking stall striping, irrigation and planting. The Additive Alternates include a concrete sidewalk along Dutton, a monument sign, serving tables, decorative iron fence, and decorative boulders. This first phase is along Dutton, and subsequent phase 2 will finish-off the park along Walnut.

On May 16, 2013, the City received two bids – Modern Building and GD Nielson. The bid results are attached. Both bids exceeded the Landscape Architect's Construction Cost Estimate for the Base Bid of \$308,605, and the City's budget of \$375,540 (incl. contingency). Staff and the Landscape Architect were surprised at many of the unit prices in the bids, which could be attributed to the contractors and suppliers being busier and/or the accelerated timeframe for completion of the park.

Action Item 1: This action assumes no time extension granted by State. Due to the time-constraints with the CDBG funding, the City must use the funds before June 30, 2013, which does not allow time to reject bids and re-advertise. Based on input from the City's CDBG Consultant, staff would like to refine the scope of the project, to bring the costs under the budget amount, and ask the two bidders to refine their original bids based on revised scope. This approach has been successfully used by the Consultant on prior projects. This will hopefully facilitate a competitive bid within the budget for a phase 1 park.

Due to the tight time constraints with the CDBG funding, award cannot wait until the next council meeting. Therefore, staff recommends the City Council give authority to the City Manager to award and execute a construction agreement with lowest responsive and responsible bidder,



within the city's budget, for the revised scope of improvements. If the revised (deductive) scope does not return refined bids from the two contractors within the city's budget, then the funds are at-risk of being returned to the State, unless the State grants an extension.

Action Item 2: This action assumes a time extension has been granted by the State. Due to the limited bid response and high bid prices that exceed the City's budget, staff recommends the Council reject all bids and authorize staff to reduce the scope of improvements and re-advertise for bids. With a time extension (staff requested 90 days), more bidders should be interested in submitting a price, and the reduced scope should result in favorable bids within the City's budget.

Staff will update Council at the meeting, on the status of the time extension and which Item is recommended for action.

ALTERNATIVES: None recommended by staff.

FISCAL IMPACT: The cost of the improvements is covered under the CDBG funding. The overall budget for construction was \$408,000. The City is moving forward with purchasing equipment (City Council authorization-May 7th), in the amount of \$32,460, leaving \$375,540 for the park improvements. This amount must cover the contract amount and contingency.

Attachment: Bid Results